

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **June 8, 2004**

AGENDA ITEM NO.: 4B

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **BUSINESS LICENSE TAX REFUND**

RECOMMENDATION:

Approve a refund request for overpayment of business license tax by Preferred Labor LLC for calendar years 2001, 2002, and 2003. The amount of the refund is \$14,855 with funds to be appropriated from the General Fund Reserve for Contingencies. This amount includes \$11,919 tax and \$2,936 interest.

SUMMARY:

Code of Virginia §58.1-3732.4, enacted January 1, 1999, allows temporary staffing agencies to deduct wages, salaries, payroll taxes, payroll deductions, workers' compensation costs, benefits, and other similar expenses of any contract employee from their reportable gross receipts. Preferred Labor LLC reported gross receipts that pertained to these activities on their business license applications in the aforementioned years. They have asked that the gross receipts tax paid on those amounts be refunded. In addition, Code of Virginia §58.1-3918 requires interest to be paid on this overpayment.

PRIOR ACTION(S):

NONE

FISCAL IMPACT:

\$14,855 from the FY 2004 General Fund Reserve for Contingencies.

This change will result in an average annual loss of \$3,500 for FY 2004 forward.

CONTACT(S):

Mitch Nuckles, Commissioner of the Revenue
455-3871

ATTACHMENT(S):

REVIEWED BY:

RESOLUTION:

BE IT RESOLVED that the FY 2004 General Fund Budget is amended and \$14,855 is appropriated from the FY 2004 General Fund Reserve for Contingencies to refund overpayment of business license tax by Preferred Labor LLC for calendar years 2001, 2002, and 2003.

Introduced:

Adopted:

Certified: _____
Clerk of Council

079L

Reviewed and approved as required by Section 58.1-3981 of the Code of Virginia, 1950, as amended.

City Attorney